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# SUMMARY RECORD OF THE 21st MEETING

Chairman: Mr. BURKE (Ireland)

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The meeting was called to order at 3.05 p.m.

AGENDA ITEM 12: REPORT OF THE ECONOMIC AND SOCIAL COUNCIL (continued) (A/46/3, A/46/558 and Corr.1)

AGENDA ITEM 77: DEVELOPMENT AND INTERNATIONAL ECONOMIC COOPERATION (continued) (A/46/3, 39, 74, 163, A/46/206-E/1991/93 and Add.1 to 4, A/46/273, A/46/283-E/1991/114, A/46/309-S/22807, A/46/315, A/46/317-S/22823, A/46/322, A/46/323-S/22836, A/46/336, 344, 345, 385, 437, 448, 478, 481, 501/Rev.1, 520, 526 and 570; A/C.2/46/4, A/C.2/46/6; A/C.2/46/L.5)

(d) ECONOMIC AND TECHNICAL COOPERATION AMONG DEVELOPING COUNTRIES (continued)

(i) ENTREPRENEURSHIP (continued)

1. Mr. ABDELKARIM (Tunisia) said that, given the economic interdependence among all countries, there seemed to be a certain reciprocal relationship between the slow-down in economic growth and persistent economic difficulties of the developed countries, on the one hand, and the deteriorating economic and financial position of the developing countries, on the other. To overcome those problems, it was necessary to create the conditions that would strengthen international economic cooperation. Thus, as a means of promoting South-South cooperation, technical cooperation among developing countries was an essential tool for development. However, such cooperation should be viewed not as a substitute for, but rather as a complement to, North-South cooperation.

2. The recent major changes in international relations should lead to the strengthening of international cooperation, particularly South-South cooperation. It was to be hoped that incorporating Central Europe and Eastern Europe into the market economy system would not slow the pace of development in the other developing countries.

3. Tunisia was sparing no efforts to strengthen cooperation among States in its region. In recent years, it had devoted all its energies to establishing the Arab Maghreb Union. Because of the opportunities for complementarity and integration provided by its economic, cultural and human resources, the Union constituted a natural framework for regional cooperation. It had chosen to promote cooperation with the other countries of Africa and the countries of the Mediterranean. In early 1992, Tunisia would host a summit meeting of the countries of the Western Mediterranean.

4. With respect to cooperation among the countries of Africa, Tunisia had participated actively in the establishment of the African Economic Community at the twenty-seventh summit meeting of the Organization of African Unity, held in Abuja in June 1991.

5. Technical cooperation among developing countries was hampered by a shortage of financial resources due to heavy indebtedness, negative capital

(Mr. Abdelkarim, Tunisia)

flows and low domestic savings rates. Other factors included a lack of information on the capacities and needs of developing countries and difficult access to modern technologies. Technical cooperation among developing countries depended primarily on those countries, but the support and contributions of developed countries and the United Nations were indispensable.

6. Because sustained economic growth could be achieved only through increased productivity, in 1986 Tunisia had adopted a structural adjustment programme. That programme was based on a set of price and financial-sector deregulation measures and on improving competitiveness, simplifying the fiscal system and cutting taxes. For example, steps had been taken to reduce the protection of local products by easing restrictions on the import of semi-finished products, lowering tariffs on the other imported products and eliminating quantitative restrictions.

7. Prices had been decontrolled on over 70 per cent of products. To encourage saving and promote participation in the financial sector, it had been decided to exercise indirect monetary control rather than controlling credit directly. Because the Government believed that Tunisian products could be made competitive only by establishing a system of open competition, it had restructured and privatized non-strategic public enterprises. Efficiency criteria had been applied in privatizing many public enterprises with an eye to redistributing the tasks of the public and private sectors.

8. Like most developing countries, Tunisia was having trouble financing development. The country's heavy debt burden was slowing the growth of public and private investment and making it harder to create jobs and combat unemployment. Tunisia had opted for a market economy. However, multilateralism in international trade was being weakened by the adoption of protectionist measures, the voluntary restriction of exports and the establishment of regional trade blocs. That trend was threatening the export-oriented economic development strategies on which most of the economic reform programmes of developing countries were based. If interdependence was to have positive results, it was necessary for the United Nations system to promote cooperation based on the common interests of developed and developing countries.

9. Mr. OUTLULE (Botswana), speaking on behalf of the Chairman of the Southern African Development Coordination Conference and referring to the report of the Secretary-General on cooperation between the United Nations and the Conference (A/46/481), said that it was heartening to note that many of the projects reflected in the report had secured funding. However, the Conference was having financial problems in a number of sectors, including the energy sector, the food, agriculture and natural resources sector, the mining sector, the tourism sector and the transport and communication sector. The shortage of resources was a matter of serious concern to the member States of the Conference, which were endeavouring to solve that problem. Furthermore, the Conference had added new sectors - the marine fisheries and resources sector and the information and culture sector - which meant that additional resources were needed to implement projects.

(Mr. Outlule, Botswana)

10. Ten years after the adoption of the Lusaka Declaration establishing the Conference, the organization was engaged in a process of self-examination in order to determine how to address the challenges of regional cooperation in the 1990s. As indicated in its 1991 annual report, the Conference intended to examine its original mandate with a view to promoting economic integration; give its Programme of Action an integrated sectoral focus and a coherent, holistic framework, and work out long-term project financing plans with provisions for phasing out cooperating partner contributions to core regional costs and gradually increasing regional contributions.

11. Since peace and stability were essential for economic cooperation, the Conference the peace agreements in Angola and the peace process in Mozambique and called upon all countries to encourage those efforts. The Conference viewed with satisfaction the process of eradicating apartheid and had always been ready to welcome a democratic and non-racial South Africa as a full Member of the Organization. The recent Annual Consultative Conference had established a Joint Planning Committee made up of representatives of Member States and of the liberation movements, with the task of identifying options and strategies for regional cooperation after the eradication of apartheid. The steps taken so far were indicative of the significance that the Conference attached to the evolving situation in South Africa. It was important, therefore, for the international community to cooperate with the Conference as the situation developed.

12. Miss TAN (Singapore) stated her country's unequivocal support for measure that encouraged and strengthened indigenous entrepreneurship as one of the engines for sustained economic growth, but cautioned that balance must be struck between the roles of public and private sectors. That was particularly important in the initial stages of a country's industrialization.

13. In most developing countries the local population had neither the financial resources nor the business know-how to set up small businesses. It was therefore not surprising that the public sector initiated the industrial process and created the infrastructure and economic conditions for promoting foreign or local investment.

14. Singapore's approach to public enterprises was governed by economic pragmatism and a minimum of State participation in the economy. Since independence in 1965, however, Singapore's experience of industrialization and national development was one in which public enterprises had played a key role. In 1965 Singapore had been lacking in natural resources - it still was; at that time manufacturing had accounted for less than 10 per cent of its gross domestic product, the unemployment rate had been high and there had been considerable labour unrest. It had also lacked industrial know-how and domestic entrepreneurial capital. The Government had therefore been obliged to play a major role in initiating the industrialization process; in addition to providing the necessary conditions of political and labour stability, it had made investment in a number of major areas where the private sector did not have the means to invest. Despite some initial failures and errors, the

(Miss Tan, Singapore)

Government companies had generally prospered in fair competition with the private sector. They had contributed significantly to the growth and development of the Singapore economy.

15. In the first place, the public enterprises must be economically viable. Secondly, they must charge realistic prices to cover operational costs without recourse to government subsidies; in the case of basic public services such as water supply and public hospitals, charges varied according to categories of users and their needs and incomes. Thirdly, efficient management was vital. Lastly, the Government had taken strong anti-corruption measures in all public enterprises. The application of those principles ensured that public enterprises were economically viable and provided good service at affordable prices.

16. Singapore recognized that there were dangers in having the public sector overly dominant in a country's economy because of the possibility of creating inefficient and overprotected industries and also crowding out private entrepreneurs. At some point or other, all Governments must decide how and when to privatize and what other measures were needed to increase competition. In recent years, Singapore had privatized some of the most profitable public enterprises in order to ensure their continued competitiveness, reduce the Government's role and enable the private sector to contribute to economic growth. Only viable public enterprises were privatized; failures were allowed to go bankrupt. Other factors were taken into consideration, such as the impact of privatization on consumers, especially in the case of basic utilities, such as water, gas, telephone and electricity.

17. Public enterprises had contributed to Singapore's political stability and economic well-being by providing good services at affordable prices. In the final analysis, the balance between public and private-sector enterprises must depend on each country's state of development and social, economic and political conditions.

18. Mr. GUERRERO (Philippines) said that the spirit of sharing, which was part of the Philippine tradition of cooperation, at all levels, was at the core of technical cooperation among developing countries (TCDC). The developing countries had the primary responsibility for promoting technical cooperation, but the developed countries and the United Nations system should assist the process.

19. The cornerstone of current efforts towards technical cooperation among developing countries was the Buenos Aires Plan of Action for Promoting and Implementing Technical Cooperation among Developing Countries whose essential aim was to make the developing countries, individually and collectively, self-reliant.

20. Since the adoption of the Buenos Aires Plan of Action, the Philippines had undertaken technical cooperation projects with the other members of the Association of South-East Asian Nations (ASEAN), Brunei Darussalam, Indonesia,

(Mr. Guerrero, Philippines)

Malaysia, Singapore and Thailand, as well as with other countries principally China, India and participants in the Perez-Guerrero Trust Fund for Economic and Technical Cooperation among Developing Countries. Training courses offered by the Philippine Technical Assistance Council had been attended by participants from 16 countries, all from the South, which had identified, analysed and evaluated their own development priorities and had realized that their needs could be served in part by existing expertise and capacities within the family of developing nations.

21. All that went to show that technical cooperation among developing countries was by no means moribund: it was alive and active. The main constraint was not talent or know-how, but cooperation would be much more effective if the developing countries could have the new technologies of the North on favourable terms. The chief obstacle was not lack of political will but shortage of funds. When a country had to spend 40 to 50 per cent of its national budget on servicing external debt and had to curtail its imports to meet more pressing economic and social priorities, it could not comfortably finance the costs involved in technical cooperation. Yet cooperation was prospering, despite the restraints and difficulties.

22. With regard to the future of technical cooperation among developing countries, his delegation had a number of recommendations. There must be less of the mental attitude - a relic of the colonial past - which inclined the countries of the South to depend too much on the North. What came from the North was not necessarily the best. Every country must review the nine objectives of the Buenos Aires Plan of Action and its 34 recommendations, which must be implemented more boldly. The enhancement of national capacities and the improvement of national programme and project execution would increase countries' confidence and economic self-sufficiency and put economic and technical cooperation in the South on a more solid foundation.

23. There should be more South-South dialogue on priority identification, particularly in sectoral needs for development; comparative advantage of countries and regions should be recognized, maintained and developed; sharing in national and regional strategy formulation should be strengthened with the help of specialized United Nations agencies. The private sector should also join in those efforts so that technology sharing could lead to productive joint venture arrangements. There should be greater interaction among TCDC focal points and between those focal points and private sector organizations.

24. Indeed, technical cooperation should exist in all aspects of human development: health care, nutrition, low-cost housing, disaster prevention, literacy, primary and adult education, rehabilitation of the handicapped, drug eradication, etc. The Philippines hoped for a determined effort to improve information systems, the elaboration of complete compendia of capacities and needs, interlinked centres of excellence and the use of computer technology.

25. All that did not mean that TCDC should displace North-South cooperation. North-South and South-South cooperation should complement each other, and TCDC

(Mr. Guerrero, Philippines)

should act as a springboard for enhancing the integration of developing countries into the international economy based on equity and mutual benefit. The TCDC component should be integrated into programmes and projects of United Nations agencies with sectoral competence and into country programmes and projects. Furthermore, the Special Unit for Technical Cooperation among Developing Countries, with enhanced mandates to promote TCDC activities, should act as a broker with those willing and able to help the peoples of the South help themselves with determination and dignity.

26. The Philippines had a centuries-old tradition of entrepreneurship. It had witnessed a gradual evolution from small firms involving only one household, which still remained, to bigger enterprises involving thousands of co-owners, associates, managers and employees.

27. The concept of entrepreneurship was not new. What was new was the complexity of expanded enterprises, with their need for professional management, automated production, financing, and trading procedures. The complexity of large enterprises appeared somewhat forbidding to the potential businessman, who, motivated by the ambition to achieve financial success, sometimes forgot that such success started from small beginnings.

28. It was essential to foster initiative, a sense of responsibility, realism in risk assessment and a courageous approach to competition among the young in order to promote the entrepreneurial spirit. Such an education in attitudes was possible only where national policy recognized the crucial importance of the private sector in development. The private sector benefited from an effective and efficient public sector which maintained conditions favourable for private initiative. The effective interaction of public and private sectors within a country was a matter of domestic concern, but the important role of the international community in helping the economies of developing nations must be reaffirmed, because the best way to facilitate the task of entrepreneurs was to establish an environment of national stability and prosperity. Internationalization of markets, access to markets of industrialized countries and increased direct foreign investment would help in the promotion of entrepreneurship.

29. The Philippine Government was pursuing a programme of privatization of enterprises still under government ownership, as well as implementing trade and transport deregulation measures. It was, moreover, pursuing a programme of deploying industries away from Metro Manila, the national capital. In doing that, it was also encouraging entrepreneurs to produce for export, drawing on indigenous skills, raw materials and capital.

30. Mr. DJACTA (Algeria) said that his statement was in addition to that of the representative of Ghana on behalf of the States members of the Group of 77, which he fully endorsed. Algeria was a member of the Group of 15 for South-South Consultation and Cooperation and wished to make some further comments on TCDC, which was being promoted in the Maghreb subregion through the Arab Maghreb Union, in the Arab world through the League of Arab States,

(Mr. Djacta, Algeria)

in Africa through the Organization of African Unity, and in the remaining regions of the South at both the bilateral and the multilateral levels.

31. In the excellent South Commission Report, the sections referring specifically to South-South cooperation and relations with the North made a major contribution to the development of economic and technical cooperation among developing countries. His delegation endorsed the statement that the South's collective efforts had been seriously hampered by the lack of any permanent mechanism to provide intellectual, technical and organizational support.

32. While TCDC was an important issue to developing countries in particular, it should involve the entire international community, because it could not be implemented without support from additional funding sources and without the catalytic activities of the United Nations system. TCDC could not replace the essential traditional forms of international cooperation; however, it was a useful tool to promote economic and social progress in developing countries if they pooled their resources and shared experiences. The existing legal framework, the Buenos Aires Plan of Action, was the suitable foundation for such cooperation. The Plan of Action was still valid and was the major normative framework for such cooperation.

33. Achieving the goals of TCDC was linked to the creation of a favourable international economic environment, which could be accomplished only if the international community assumed its collective responsibility and met the following conditions: a prompt and lasting solution to the problem of external debt in developing countries, which, along with net negative transfer of financial resources, was one of the major factors in the current economic stalemate in developing countries; provision of sufficient external financial resources on concessional terms to meet the developing countries' growth needs; improvement in the international economic environment through a reduction in world imbalances to take into account the interests of developing countries; promotion of the regional economic integration of developing countries; and a renewed emphasis on assistance by United Nations agencies in the economic recovery of developing countries, and strengthening of the United Nations Development Programme, the lead agency for TCDC.

34. Mr. ABOLHASSANI (Islamic Republic of Iran) said that transnational corporations were among the most important factors in the world economy. Their share of world economic output was enormous. Some of the largest transnational corporations had sales figures exceeding the aggregate output of many countries. The growing significance of such corporations in the world economy suggested that it was necessary to conclude an international code on relations between host States and transnational corporations. Such a code would contribute to the codification of international economic law and could also maximize the benefits of transnational economic activities and minimize their potential negative effects. At the same time, it could provide a stable and transparent framework to facilitate the flow of resources across national boundaries, thereby enhancing the role of foreign investment in economic growth.

(Mr. Abolhassani, Islamic Republic of Iran)

35. After more than 15 years of negotiation, although the code was almost complete, there were still some outstanding issues which had impeded its adoption by consensus. The adoption of General Assembly resolution 45/186 had given the negotiations new momentum. Although the language and the context of the most recent version of the code, elaborated after years of negotiations, were carefully balanced, some delegations had not been ready to advance their positions in detail. Ongoing international negotiations - including those in the context of the Uruguay Round, the preparatory process for the United Nations Conference on Environment and Development, and the eighth session of the United Nations Conference on Trade and Development - while having little relationship with the provisions of the code, had therefore been used as a pretext to postpone further negotiations on the code. However, his delegation sincerely hoped that the resumed consultations scheduled for June and July 1992 would lead to the conclusion of the code, so that it could be adopted at the forty-seventh session of the General Assembly.

36. Although many initiatives had been undertaken to foster economic and technical cooperation among developing countries, the current level of such cooperation was still discouraging. Developing countries possessed many resources and substantial economic potential, including a substantial market which was continuing to grow. Although in some fields their exports were competitive, the implementation of effective and concerted programmes would enable them to develop a complementary system in which specialization provided better returns. Moreover, as a mechanism for exchanging experience, information and appropriate technologies, upgrading skills and addressing common economic and social problems through collective efforts, economic and technical cooperation among developing countries constituted a cost-effective model for development which should be thoroughly implemented. In that regard, the report of the South Commission provided a good basis for further progress in those areas. However, the most important task which should be carried out was the implementation of the recommendations contained in that report. The High-level Committee on the Review of Technical Cooperation among Developing Countries had decided to discuss its contribution to the report's implementation at its next session in 1993. The General Assembly also should discuss its own contribution to the implementation of those recommendations

37. Within the United Nations system, although the United Nations Development Programme (UNDP), the Food and Agriculture Organization of the United Nations (FAO) and the United Nations Industrial Development Organization (UNIDO) had increased the use of modalities for economic and technical cooperation among developing countries in their development activities, much remained to be done. In that connection, his delegation was grateful to the Governing Council of UNDP for having included technical cooperation among the developing countries among the six areas to receive priority during the next programming cycle, and for having authorized the use of up to 10 per cent of the indicative planning figures for technical cooperation activities. The planning, funding and implementation of TCDC activities were primarily the responsibility of the Governments concerned. However, one of the major

(Mr. Abolhassani, Islamic Republic of Iran)

impediments to the expansion of such activities continued to be insufficient financial resources. Thus, in order to foster cooperation among developing countries, efforts should be made to mobilize adequate financial resources. The international community and, in particular, the developed countries, could play an important role in that regard. Furthermore, the promotion of economic and technical cooperation among developing countries depended on the capacities of the national focal points and coordination mechanisms of the developing countries responsible for such cooperation. Efforts therefore should be made to strengthen those institutions and to locate them within the governmental machineries where they could be most effective.

38. Mr. YENEL (Turkey) said that it was now universally accepted that the primary responsibility for the success of the development process rested with the country concerned. It was also accepted that countries with outward-oriented policies and those that cooperated and shared experience with other countries tended to be more successful with their development efforts. The experiences and accomplishments of countries at similar stages of development would be the most relevant, and that had been the logic behind the decision to launch the Buenos Aires Plan of Action for Promoting and Implementing Technical Cooperation among Developing Countries, which aimed at securing greater economic and technical cooperation among developing countries.

39. Technical cooperation among developing countries might appear to be a somewhat abstract exercise, but it was in fact a very real complementary component of the development efforts of the developing countries. It could be seen from the reports presented at the seventh session of the High-level Committee on the Review of Technical Cooperation among Developing Countries that the developing countries were increasingly using TCDC as an instrument to meet their technical needs. During the past decade differences among the developing countries had increased, although some regions had experienced better economic performance. Those developing countries were in a better position to assist other countries, and had a duty to do so.

40. His country had achieved considerable economic progress during the past decade. At the end of the 1980s the Turkish Agency for Cooperation had been established. That body coordinated cooperation between Turkey and other developing countries and, with an annual budget of $6 million, had initiated a number of training programmes which had been offered to many countries, mostly in Africa.

41. Technical cooperation among developing countries had not yet reached its full potential. The United Nations system should elaborate a strategy which would respond to the TCDC requirements of the developing countries during the 1990s, in accordance with the principles of the Buenos Aires Plan of Action.

42. With regard to entrepreneurship, it should be borne in mind that TCDC could play an important role in its promotion. The promotion of entrepreneurship and the encouragement of the private sector were becoming

(Mr. Yenel, Turkey)

increasingly significant in social and economic development and could lead to increased trade and investment. In cooperation with UNDP, his country had initiated programmes in that area and was ready to share its experience with other developing countries.

43. Mr. MATRI (Pakistan) said that the South Commission report underscored the strength which the South could gain by making greater use of its collective energies, which would enhance its importance in the world economy and place it in a more favourable position to influence its management. The full potential of economic and technical cooperation among developing countries could be realized only if the concept received the political support of the developed and the developing countries. In the current economic climate, which was characterized by increasing globalization and interdependence, it was argued by some that the developing countries could arrest the trend towards their marginalization by enhancing South-South cooperation. Although the validity of that argument could not be contested, the fact remained that economic cooperation among developing countries could take place only in the broader context of the international economic environment.

44. One of the factors which explained the lack of a strong mechanism for technical cooperation among the developing countries was the fact that those countries had been deprived of the resources they needed for economic growth owing to the massive transfer of resources from the developing countries to the developed countries. Evidently the scarcity of resources in the South made it difficult for the developing countries to pursue economic cooperation activities. His delegation believed that the recommendation for the establishment of a trade financing facility contained in the report of the Ad Hoc Group of Experts Meeting on Trade Financing Mechanisms In and Among Developing Countries convened recently by the United Nations Conference on Trade and Development (UNCTAD) was important for the promotion of trade among developing countries.

45. The Buenos Aires Plan of Action provided a valid framework for the use of technical cooperation for the benefit of developing countries. Despite efforts by those countries, the United Nations system and some developed countries, the full potential of technical cooperation among developing countries had not yet been realized. In order to transform such technical cooperation into an effective instrument for development, the developed and the developing countries alike must display greater determination to strengthen that modality for cooperation.

46. Economic cooperation among developing countries occupied a central role in the economic relations of his country, which had based its national technical cooperation development objectives on the key recommendations of the Buenos Aires Plan of Action. His country had extended technical assistance to many developing countries and had established a technical cooperation system which operated effectively at various levels. Bilateral arrangements had also

(Mr. Matri, Pakistan)

been established with a number of developing countries, in particular, Indonesia, India, China, Yugoslavia, Thailand and Iran.

47. If allowed to operate in an open and freer trading system, entrepreneurship could help make the world economy more efficient. Trade and entrepreneurship were linked inextricably. Accordingly, so that entrepreneurship could stimulate development, the Uruguay Round negotiations should be concluded as rapidly as possible. Pakistan had adopted concrete measures to revitalize its economy by encouraging free enterprise, decentralizing decision-making, implementing deregulation, demonopolizing economic activities through denationalization, simplifying administrative procedures and carrying out structural adjustment. Nevertheless, as stated in General Assembly resolution 45/188, there was no universal prescription for successful development and each country was responsible for its own economic policies in accordance with its specific situation and conditions.

48. Mr. DUGAN (United States of America) said that for the past several years the Second Committee had taken part in the global discussion on the need for, indeed the duty of, the private sector to contribute to the efforts of countries seeking to develop or revitalize their economies. Out of those deliberations had emerged a consensus that entrepreneurship in the private sector had the potential to become one of the most effective engines of development.

49. Negotiations in 1990 had led to the adoption by the General Assembly of resolution 45/188 entitled "Entrepreneurship", which the United States had introduced and sponsored together with over 35 other States Members. In his most recent statement to the Second Committee, Mr. Gomez, the Associate Administrator of the United Nations Development Programme (UNDP), had called the resolution a "landmark" demonstrating for the first time a broad consensus on the issue and providing a comprehensive framework for support by the United Nations system to Governments seeking to develop and revitalize their economies through free enterprise, competitive markets and the promotion of entrepreneurship. Essentially, resolution 45/188 sanctioned the need, both internationally and nationally, to create an economic environment conducive to private investment and business development, taking into account specific national circumstances and requirements.

50. In June 1991, the UNDP Governing Council had taken a major step in the implementation of General Assembly resolution 45/188 by adopting decision 91/11 entitled "Private sector in development". That decision had addressed the need to incorporate entrepreneurship into the activities of the United Nations bodies managing development problems. Subsequent consultations in the Economic and Social Council had revealed continuing support for the resolution on entrepreneurship, as had the statements made thus far at the forty-sixth session of the General Assembly.

51. Additional steps could and should be taken. The United States delegation looked forward to cooperating with other Second Committee delegations and with

(Mr. Dugan, United States)

the Secretariat to develop key elements of a new resolution, building upon the agreements reached over the past year. Preliminary consultations among the sponsors of the resolution adopted at the forty-fifth session of the General Assembly revealed broad interest in ensuring that the United Nations system would assist the international community in developing the requisite infrastructures and skills to improve the efficiency and stimulate the growth of the private sector. The proposed text should of course recognize the ongoing role of the public sector and take into account specific national circumstances and requirements.

52. His delegation hoped that those consultations would result in a useful operational text, for adoption by consensus, identifying how entrepreneurship could be incorporated most efficiently into the activities of United Nations departments and organs and organizations within the United Nations system.

53. More and more countries were recognizing the central role of a market-friendly economy in their national development strategies, and were adopting measures to mobilize the drive of entrepreneurs in order to obtain self-sustaining growth. All Member States should help promote that global trend, thereby demonstrating the relevance of the United Nations and its ability to meet the challenges of a radically changing international economic environment.

54. Mr. OLISEMEKA (Nigeria) said that at a time when new global perspectives were opening up as a result of the end of the cold war and the easing of East-West tensions, a new and urgent reality had emerged which was refocusing attention on the plight of the developing world. The great divide between the developing and the developed countries continued to grow and had led the developing countries, in a conscious and deliberate effort, to pool their resources for their own salvation. Technical cooperation had thus been recognized as an instrument of international cooperation for development. The primary focus of TCDC should therefore continue to be promotion of the economic self-reliance of the developing countries, to be achieved by strengthening the technical, administrative, management and research capabilities required for the efficient pursuit of their national development. Countries wishing to use such an instrument must share their technical resources, skills and capabilities. In that regard, the United Nations was limited to a catalytic role, supporting and complementing national efforts and enhancing the quality of international cooperation.

55. His country had for several years been promoting technical cooperation through the Technical Aid Corps, the objective of which was to assist developing countries, particularly in Africa, the Pacific and the Caribbean, by providing qualified technical, academic and scientific personnel to assist in development activities.

56. Financial constraints were one of the major obstacles to TCDC. The developed countries played a supplementary but crucial role in strengthening the national and collective self-sufficiency of developing countries. Donor

(Mr. Olisemeka, Nigeria)

policies and procedures therefore needed to be reoriented in order to help developing countries make the best possible use of their capabilities. It was important that developed countries should help not only by covering foreign exchange costs but also, on occasion, by financing local costs and services. Nigeria commended the countries and agencies which had taken steps in that direction, in accordance with the relevant recommendations of the Buenos Aires Plan of Action.

57. Financing TCDC activities by raising UNDP indicative planning figures and increasing Special Programme Resources was also important, even though the amounts involved represented only a small share of the funds available for technical cooperation. Also needed were measures to strengthen further the capacity of regional and subregional development banks and funds to finance TCDC activities.

58. National focal points played a crucial role in tapping TCDC resources and must establish interactive links with the sectoral focal points, for example in the technical ministries. United Nations agencies should endeavour to have TCDC recognized as a useful and cost-effective modality for executing development projects. It was essential to disseminate information on TCDC and to train focal-point officials in order to give them sufficient authority to perform their role.

59. The advantages of TCDC over traditional methods of project execution should not be taken for granted. The nature of each project under consideration should first be examined carefully. In some cases projects could benefit substantially from TCDC arrangements, while in others TCDC might unduly open the economy to exploitation without commensurate benefits.

60. Mrs. KOŠŤÁLOVÁ (Czechoslovakia) said that her delegation wished to stress the importance of the adoption of General Assembly resolution 45/188 on entrepreneurship. The resolution was an organic part of the efforts of the United Nations to promote the universal principles of economic cooperation, in particular the principle of openness of national economies to the new trends influencing the development of the world economy.

61. Her country was undergoing a transition to a market economy in which the Government was continuing the process of privatization and full liberalization of the market in order to create favourable conditions for the development of entrepreneurship.

62. Foreign trade was an important sector of her country's economy. Czechoslovak enterprises, in spite of their European orientation, were ready to establish mutually beneficial economic relations with enterprises in all other countries, either developed or developing, both in Europe and in other continents. The entrepreneurial spirit and universal economic openness were revealing new perspectives for efficient cooperation. In that context her country appreciated the role of UNDP in supporting entrepreneurship by establishing a new division for the private sector, and it thought that the

(Mrs. Košťálová, Czechoslovakia)

activities of the United Nations Centre on Transnational Corporations and the Special Unit for TCDC could also be beneficial. The United Nations should draw up a general strategy to strengthen the role of entrepreneurship in economic development, firstly by using national institutions to promote entrepreneurship in medium- and small-scale businesses, and secondly by creating an efficient system for the exchange of information concerning entrepreneurship and the operational activities of the United Nations.

63. Mr. KIM (Democratic People's Republic of Korea) said that the current international situation compelled the developing countries to take a more active part than ever before in TCDC activities, yet at the same time the economic difficulties resulting from such factors as falling commodity prices and protectionism in the developed countries continued to limit the capacity of the developing countries to deploy the resources needed for TCDC. The success of their efforts depended on a favourable international environment, for TCDC was not a replacement for international economic cooperation but one of its most important elements.

64. The United Nations system had an important role to play in TCDC, and his country supported the decisions adopted by the High-level Committee on the Review of Technical Cooperation among Developing Countries, especially decision 7/1, and it welcomed the decision of UNDP to include TCDC among the six priority areas for national capacity-building in the fifth programming cycle. The role of the Special Unit for TCDC should be enhanced to include the promotion and coordination of TCDC activities so that every country interested in such activities could participate in them. It was also necessary to improve the TCDC Information Referral System and examine the possibility of creating a comprehensive network comprising the Special Unit, the UNDP field offices and the national focal points.

65. Lastly, his delegation welcomed the offer by the Government of Morocco to host an international consultative meeting on technical cooperation among developing countries in 1992.

66. Mrs. HASSAN (Egypt) said that TCDC was a key element in the development of the developing countries, and the international community had entered into corresponding commitments which were contained principally in the Buenos Aires Plan of Action and the Caracas Programme of Action. In order to incorporate TCDC fully in their development efforts, the developing countries needed strong financial support from their bilateral partners. And that support had become even more important in view of the recent changes in the world economy.

67. Her country fully supported the decisions adopted by the High-level Committee at its seventh session. Its report referred to important developments, such as the inclusion of TCDC among the six priority areas in the fifth programming cycle and the decision of the UNDP Governing Council to authorize countries to use up to $7.5 million or 10 per cent of their indicative planning figures for TCDC activities. However, the funds available for TCDC remained insufficient, and the resources which the United Nations

(Mrs. Hassan, Egypt)

system devoted to the development of such activities should therefore be increased.

68. The proposal that the High-level Committee should consider ways of promoting the modalities of TCDC in the execution of UNDP-financed projects at the regional, interregional and world level was extremely interesting. Furthermore, the Special Unit for TCDC played a major role in promoting action-oriented activities in its sphere, and the Unit must therefore be given additional external financial support. Her country supported the appeal of the High-level Committee for the Unit to be strengthened as a matter of urgency.

69. Egypt remained strongly committed to South-South cooperation and had undertaken important activities in that area. Its TCDC focal point was incorporated in the government machinery, where it could be most effective. The Egyptian Fund for Technical Cooperation with Africa had been established within the focal point and provided technical training, technical expertise and financial assistance to various programmes and projects all over Africa.

70. It must be remembered that the General Assembly had attributed great importance to the role of entrepreneurship in economic development when adopting its resolution 45/188. Egypt had undertaken a programme of economic reform and structural adjustment with the ultimate goal of achieving sustainable economic growth and improving its people's living standards. One of the main aspects of the programme was a reform of the private sector which sought to encourage private enterprise by abolishing investment and production controls, dismantling State monopolies, and phasing out discrimination against the private sector. Another central component of the programme was the reform of public enterprises, which would increase private-sector ownership and management by means of privatization.

71. Her country found the most recent version of the code of conduct on transnational corporations acceptable; in view of the proposal for resumption of the consultations and since it was necessary for such an important instrument to be adopted on the basis of a broad consensus, it agreed to the resumption in the hope that the pending issues would be resolved and the code completed.

72. Mr. ELIASHIV (Israel) said that his delegation agreed with the other delegations which had emphasized the importance of TCDC. His country had supported such activities on many occasions and had also shared its experience with countries from other continents, thus recognizing the concept of cooperation for development. The development of human resources was another area requiring international cooperation. Israel was ready to support the efforts of international bodies in that area and to make its contribution wherever it could.

The meeting rose at 5.05 p.m.